Department of Finance

News Release

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IMF Reports Canada Well Positioned to Weather Economic Challenges

The Honourable Jim Flaherty, Minister of Finance, said an annual International Monetary Fund (IMF) report highlights the flexibility of the Canadian economy in adjusting to adverse shocks and notes that our strong fiscal situation puts Canada in an enviable position to take on the economic challenges ahead.

"The IMF report shows Canada is an economic leader, and our government is taking steps to ensure continued growth in the face of uncertainty," said Minister Flaherty.

In its *2008 Article IV Consultation with Canada* report, the IMF expects economic growth to slow this year in Canada, given continuing global financial strains and a weaker U.S. economy. However, the IMF anticipates that growth will accelerate in 2009 and welcomes the commitments laid out in the 2007 Economic Statement to ongoing debt and tax reduction and focused spending.

"The actions we and all Canadians take today will determine where we end up tomorrow," said Minister Flaherty. "The question all of us face in 2008 is how to secure our future prosperity in these challenging economic times."

As required by Article IV of its Articles of Agreement, the IMF reviews the economic developments and policies of each member country, usually on an annual basis. The IMF's report is released at the discretion of the country being reviewed. The Government supports this release in recognition of the importance of the IMF's surveillance activities, and as an expression of Canada's commitment to ensuring that these activities are transparent.

The IMF's full report on Canada and accompanying papers can be found on the IMF website at www.imf.org.

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